

DEFENSE LOGISTICS AGENCY



Defense Energy Support Center



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DLA's On-Line Auction Pilot DESC Natural Gas Program



DoD Natural Gas Program



Defense Energy Support Center

**FY 99 - DoD Natural Gas Cost Avoidance
\$33.6M**

**Army
\$12.9M**

**DON
\$10.2M**

**Air Force
\$8.2M**

**Other DoD
\$2.3M**

DOD Natural Gas Cost Avoidance

	FY 91-98	FY 99	Total
Army	\$ 56.0	\$ 12.9	\$ 68.9
DON	\$ 55.5	\$ 10.2	\$ 65.7
Air Force	\$ 43.0	\$ 8.2	\$ 51.2
Other DoD	\$ 3.3	\$ 2.3	\$ 5.6
TOTAL	\$157.8	\$ 33.6	\$191.4

DoD
Productivity
in
Excellence
Award
1994

DoD Superior
Management
Award
1995

David Packard
Acquisition
Excellence
Award
1996

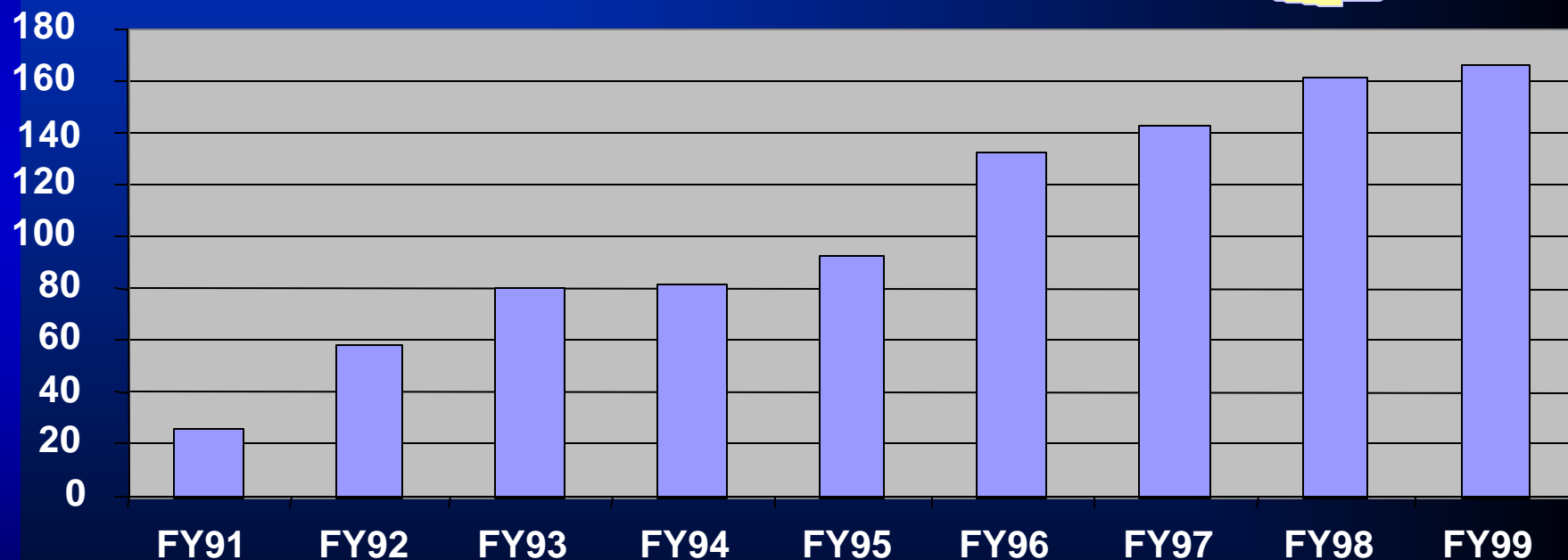
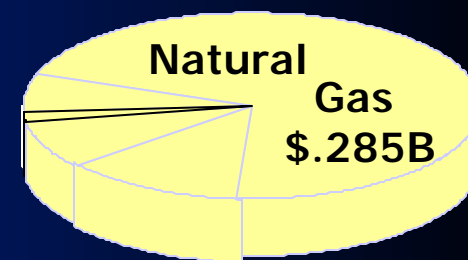


DoD Natural Gas Program



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DoD PARTICIPATION
108% growth FY94 - FY99



FY 99 DoD Participants

ARMY
DON

59
46

AIR FORCE
DoD

49
12

TOTAL 166

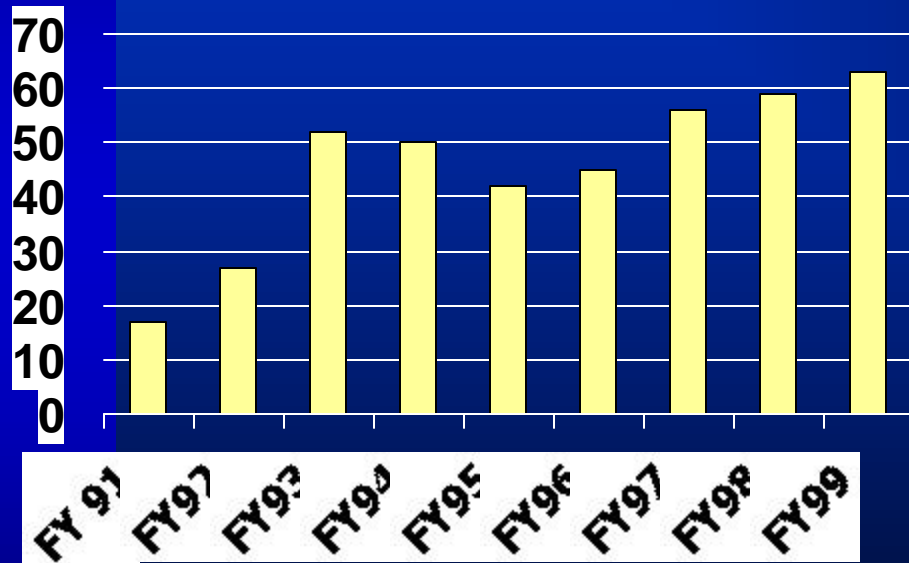


Federal Civilian Agency Participation



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HISTORICAL PARTICIPATION



**FEDERAL CIVILIAN AGENCY
COST AVOIDANCE**

FY 91 - FY 99 = \$61.8M

FY 99 Federal Civilian Agency Participants

DoE	16
GSA	15
Veterans Admin.	10
Bureau of Prisons	5
NASA	5
Others	12

Total 63

By partnering with
DESC to procure direct
supply natural gas,
Civilian Agencies saved
over \$10.5M in FY 99





On-Line Auction



Defense Energy Support Center



- ⓧ Northeast Monthly Buy Program
- ⓧ Supplier survey concluded industry would participate
- ⓧ No statutory or regulatory roadblocks

ⓧ Seven out of 13 suppliers agreed to participate

ⓧ Industry Forum raised supplier's "comfort level"

ⓧ FreeMarkets trained suppliers



Natural Gas On-Line Reverse Auction



Defense Energy Support Center

CBE 1803 - Natural Gas



File View Preferences Windows Help

Current Time: 02:02:01 PM EDT

CBE 1803: Natural Gas

Sponsor: Sponsor

Status: **OPEN**

View Currency:

Market Savings: -28.02%

Lots: 1

Lot 01: Natural Gas

Market Leader: Bidder9

Market vs Reserve:

Market vs Historic: -451,745.311 (-28.02%)

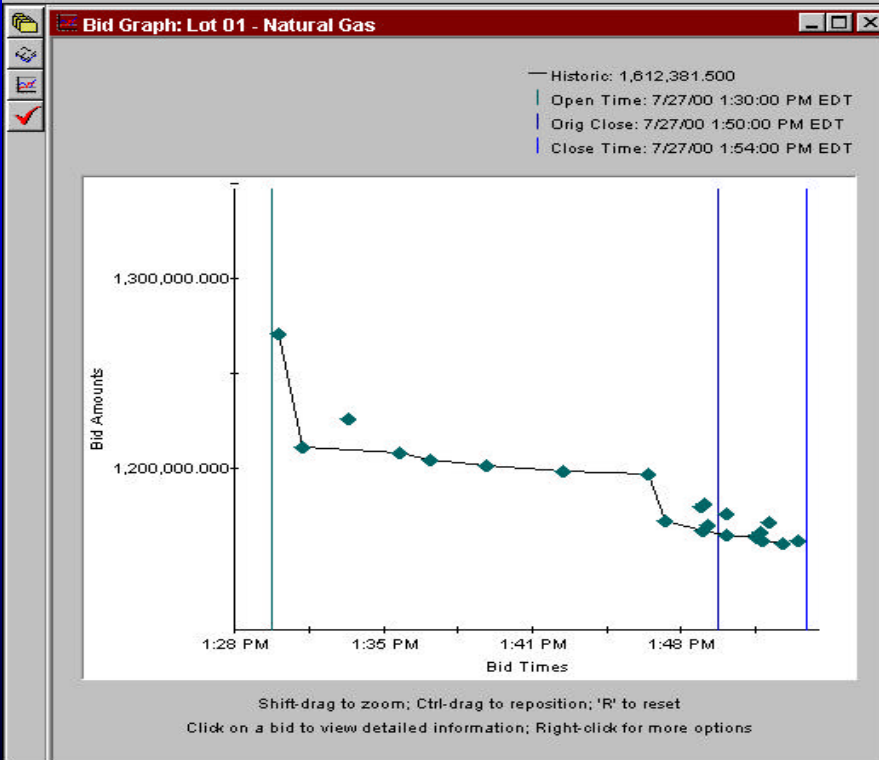
Close Time: Jul 27, 2000 1:54:00 PM EDT

Status: **CLOSED**

Total Bids: 24

Available Lots

Num	Name	Close Time	Status	Historic	Reserve	Mkt Lead	Mkt vs Hist	Currency
01	Natural Gas	1:54:00 PM	CLOSED	1,612,381.500		1,160,636.189	-451,745.311	
Totals:				1,612,381.500		1,160,636.189	-451,745.311	



Bid History: Lot 01 - Natural Gas

Bidder	Bid Time	Ext Bid	Bid vs Hist
Bidder7	7/27/00 1:31:21...	1,211,390....	-400,991.3
Bidder10	7/27/00 1:35:42...	1,208,260....	-404,120.5
Bidder3	7/27/00 1:37:05...	1,204,927....	-407,454.3
Bidder7	7/27/00 1:39:36...	1,201,579....	-410,802.4
Bidder10	7/27/00 1:43:04...	1,199,153....	-413,227.6
Bidder3	7/27/00 1:46:54...	1,197,479....	-414,901.6
Bidder7	7/27/00 1:49:24...	1,182,018....	-430,362.9
Bidder6	7/27/00 1:49:15...	1,180,406....	-431,975.4
Bidder7	7/27/00 1:50:22...	1,176,219....	-436,162.2
Bidder2	7/27/00 1:47:40...	1,172,405....	-439,976.5
Bidder6	7/27/00 1:52:18...	1,172,022....	-440,358.6
Bidder10	7/27/00 1:49:32...	1,170,841....	-441,540.4
Bidder3	7/27/00 1:49:18...	1,167,746....	-444,635.3
Bidder9	7/27/00 1:51:55...	1,166,500....	-445,880.9
Bidder10	7/27/00 1:50:22...	1,165,252....	-447,129.2
Bidder7	7/27/00 1:51:47...	1,165,252....	-447,129.2
Bidder3	7/27/00 1:51:46...	1,163,762....	-448,618.6
Bidder7	7/27/00 1:53:37...	1,162,457....	-449,923.5
Bidder10	7/27/00 1:51:59...	1,162,088....	-450,292.7
Bidder9	7/27/00 1:52:54...	1,160,636....	-451,745.3

Right click for detailed bidding information

Lock



Natural Gas On-Line Reverse Auction



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- () Prices Bid Down via Internet
 - CO runs procurement and awards contract
 - Auction is for pricing only
 - NE Monthly Buy Program
 - () 6 Gas Auctions - 4 Completed
 - August -- \$452K
 - September -- \$250K
 - October -- \$607K
 - November -- \$1.1M
- Savings*
- ❑ Challenge is benchmarking – Monthly Buy Already Saves \$
 - ❑ Will also test systems with in-house capability in January and February



FreeMarkets Demonstration



For copies of briefing charts

<http://www.desc.dla.mil/main/a/iscd.htm>